

**TENTH JUDICIAL DISTRICT COURT EXPENSE FUND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2011**

TENTH JUDICIAL DISTRICT COURT EXPENSE FUND
NATCHITOCHEs, LOUISIANA
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DECEMBER 31, 2011


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TENTH JUDICIAL DISTRICT COURT EXPENSE FUND
NATCHITOCHES, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

Legislative Auditor
P. O. Box 94397
Baton Rouge, LA 70804-9397

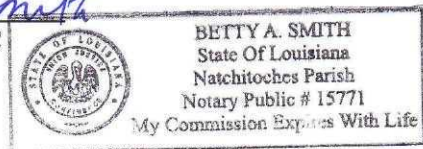
AFFIDAVIT

Personally came and appeared before the undersigned authority, Eric R. Harrington, Judge of the Tenth Judicial District Court Expense Fund, who duly sworn, deposes and says, that the financial statements herewith given presents fairly the financial position of Tenth Judicial District Court Expense Fund at December 31, 2011 and the results of operations for the year then ended in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.


Judge

Sworn to and subscribed before me, this 21st day of June, 2012.


NOTARY PUBLIC



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INDEPENDENT AUDITORS' REPORT

Tenth Judicial District Court Expense Fund
P.O. Box 1395
Natchitoches, Louisiana 71458

We have audited the accompanying basic financial statements of the Tenth Judicial District Court Expense Fund, Natchitoches, Louisiana, as of and for the year ended December 31, 2011, as listed in the table of contents. These basic financial statements are the responsibility of the Tenth Judicial District Court Expense Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Tenth Judicial District Court Expense Fund as of December 31, 2011, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated June 21, 2012, on our consideration of the Tenth Judicial District Court Expense Fund's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison information on pages 4 through 8 and 22, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Tenth Judicial District Court Expense Fund's financial statements as a whole. The accompanying information identified in the table of contents as Other Supplementary Information is presented for the purposes of additional analysis and is not a required part of the financial statements. The Other Supplementary Information schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The financial information for the year ended December 31, 2010, which is included for comparative purposes was taken from the financial report for that year in which we expressed an unqualified opinion dated May 12, 2011, on the basic financial statements of the Tenth Judicial District Court Expense Fund.

Hines, Sheffield & Squyres

Natchitoches, Louisiana

June 21, 2012

TENTH JUDICIAL DISTRICT COURT EXPENSE FUND
NATCHITOCHES, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2011

The Management's Discussion and Analysis of the Tenth Judicial District Court Expense Fund's financial performance presents a narrative overview and analysis of Tenth Judicial District Court Expense Fund's financial activities for the year ended December 31, 2011. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the Tenth Judicial District Court Expense Fund's financial statements, which begin on page 9.

FINANCIAL HIGHLIGHTS

- 1) The Tenth Judicial District Court Expense Fund had cash and investments of \$172,694 at December 31, 2011 which represents an increase of \$20,378 from prior year end.
- 2) The Tenth Judicial District Court Expense Fund had accounts receivable of \$9,715 at December 31, 2011 which represents a decrease of \$6,238 from prior year end.
- 3) The Tenth Judicial District Court Expense Fund had accounts payable and accruals of \$8,094 at December 31, 2011 which represents a decrease of \$3,332 from prior year end.
- 4) The Tenth Judicial District Court Expense Fund had total revenues of \$191,588 for the year ended December 31, 2011 which represents an increase of \$37,646 from prior year.
- 5) The Tenth Judicial District Court Expense Fund had intergovernmental revenues of \$125,657 for the year ended December 31, 2011 which represents an increase of \$36,817 from prior year.
- 6) The Tenth Judicial District Court Expense Fund had total expenses of \$178,628 for the year ended December 31, 2011 which represents an increase of \$34,114 from prior year.
- 7) The Tenth Judicial District Court Expense Fund had personal services expenses of \$129,237 for the year ended December 31, 2011 which represents an increase of \$24,305 from prior year.
- 8) The Tenth Judicial District Court Expense Fund had operating services expenses of \$34,147 for the year ended December 31, 2011 which represents an increase of \$14,828 from prior year.
- 9) The Tenth Judicial District Court Expense Fund had supplies expenses of \$7,982 for the year ended December 31, 2011 which represents a decrease of \$5,020 from prior year.
- 10) The Tenth Judicial District Court Expense Fund had capital asset purchases of \$0 for the year ended December 31, 2011 which represents a decrease of \$4,925 from prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for the Tenth Judicial District Court Expense Fund as established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements--and Management's Discussion and Analysis--for State and Local Governments.

TENTH JUDICIAL DISTRICT COURT EXPENSE FUND
NATCHITOCHES, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2011

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Management Discussion and Analysis

Basic Financial Statements

Required Supplementary Information
(Other than MD&A)

These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

Basic Financial Statements

This annual report consist of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 9 and 10) provide information about the activities of the Tenth Judicial District Court Expense Fund as a whole and present a longer-term view of the Fund's finances. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Assets and the Statement of Activities report the Fund's net assets and changes in them. You can think of the Fund's net assets, the difference between assets and liabilities, as one way to measure the Fund's financial health, or financial position. Over time, increases or decreases in the Fund's net assets are one indicator of whether its financial health is improving or deteriorating.

Fund financial statements start on page 11. All of the Fund's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short term view of the Fund's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Fund's activities as well as what remains for future spending.

TENTH JUDICIAL DISTRICT COURT EXPENSE FUND
NATCHITOCHES, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2011

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Assets
As of Year End

	<u>2011</u>	<u>2010</u>
Current and other assets	\$ 182,409	\$ 168,269
Capital assets, net	<u>8,241</u>	<u>12,753</u>
Total Assets	<u>\$ 190,650</u>	<u>\$ 181,022</u>
Other liabilities	\$ 8,094	\$ 11,426
Compensated absences payable	<u>0</u>	<u>0</u>
Total Liabilities	<u>8,094</u>	<u>11,426</u>
Net assets		
Investment in capital assets, net of related debt	8,241	12,753
Unrestricted	<u>174,315</u>	<u>156,843</u>
Total Net Assets	<u>182,556</u>	<u>169,596</u>
Total Liabilities and Net Assets	<u>\$ 190,650</u>	<u>\$ 181,022</u>

Net assets of the Tenth Judicial District Court Expense Fund's increased by \$12,960 or 7.64% from the previous fiscal year. The increase is the result of revenues exceeding expenses during the fiscal year ended 2011 (See table below).

Statement of Activities
For the Year Ended

	<u>2011</u>	<u>2010</u>
General government		
Expenses	\$ (178,628)	\$ (144,514)
Program revenues		
Fees, fines and charges for services	64,488	61,955
Operating grants and contributions	125,657	88,840
Capital grants and contributions	<u>0</u>	<u>0</u>
Subtotal	11,517	6,281
General revenues	1,443	3,147
Transfers	<u>0</u>	<u>(21,802)</u>
Change in net assets	<u>\$ 12,960</u>	<u>\$ (12,374)</u>

The Tenth Judicial District Court Expense Fund's total revenues increased by \$37,646 or 24.45% from the previous year. The total cost of all programs and services increased by \$34,114 or 23.61% from the previous year.

TENTH JUDICIAL DISTRICT COURT EXPENSE FUND
NATCHITOCHEs, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2011

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2011, the Tenth Judicial District Court Expense Fund had \$8,241, net of depreciation, invested in a broad range of capital assets (See table below). This amount represents a net decrease (including additions and deductions) of \$4,512 or 35.38% from the previous year.

Capital Assets at Year End
(Net of Depreciation)

	<u>2011</u>	<u>2010</u>
Furniture, fixtures and equipment	\$ 8,241	\$ 12,753
Total	<u>\$ 8,241</u>	<u>\$ 12,753</u>

This year's major additions included:

None.

This years's major retirements included:

None.

Debt

The Tenth Judicial District Court Expense Fund had \$0 in compensated absences payable outstanding at year end compared to \$0 at the previous year end, no change, as shown in the table below.

Outstanding Debt at Year End

	<u>2011</u>	<u>2010</u>
Compensated absences payable	\$ 0	\$ 0
Totals	<u>\$ 0</u>	<u>\$ 0</u>

New debt during the year included:

None.

TENTH JUDICIAL DISTRICT COURT EXPENSE FUND
NATCHITOCHES, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2011

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Actual revenues were \$8,762 less than budgeted amounts due to fees and intergovernmental revenues being less than expected.

Actual expenditures were \$8,709 more than budgeted amounts due to operating services being more than expected.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Tenth Judicial District Court Expense Fund's elected officials considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- 1) Fees
- 2) Interest income
- 3) Miscellaneous revenues

The Tenth Judicial District Court Expense Fund does not expect any significant changes in next year's results as compared to the current year.

CONTACTING THE TENTH JUDICIAL DISTRICT COURT EXPENSE FUND'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Tenth Judicial District Court Expense Fund's finances and to show the Tenth Judicial District Court Expense Fund's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Eric R. Harrington, Judge, Post Office Box 1395, Natchitoches, Louisiana 71458.

EXHIBIT A

TENTH JUDICIAL DISTRICT COURT EXPENSE FUND
NATCHITOCHES, LOUISIANA
STATEMENT OF NET ASSETS
DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
ASSETS		
Current Assets		
Cash	\$ 41,243	\$ 22,202
Investments	131,451	130,114
Accounts receivable	<u>9,715</u>	<u>15,953</u>
Total Current Assets	182,409	168,269
Noncurrent Assets		
Capital assets, net	<u>8,241</u>	<u>12,753</u>
Total Assets	<u>\$ 190,650</u>	<u>\$ 181,022</u>
 LIABILITIES AND NET ASSETS		
LIABILITIES		
Current Liabilities		
Accounts payable and accruals	\$ 8,094	\$ 11,426
Total Current Liabilities	8,094	11,426
Noncurrent Liabilities		
Compensated absences payable	<u>0</u>	<u>0</u>
Total Liabilities	8,094	11,426
 NET ASSETS		
Investment in capital assets, net of related debt	8,241	12,753
Unrestricted	<u>174,315</u>	<u>156,843</u>
Total Net Assets	<u>182,556</u>	<u>169,596</u>
Total Liabilities and Net Assets	<u>\$ 190,650</u>	<u>\$ 181,022</u>

The accompanying notes are an integral part of this statement.

TENTH JUDICIAL DISTRICT COURT EXPENSE FUND
NATCHITOCHES, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011				2010	
	Expenses	Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets	Revenue and Changes in Net Assets
General Government						
Personal services	\$ 129,237	\$ 47,866	\$ 125,657	\$ 0	\$ 44,286	\$ 30,343
Travel	0	0	0	0	0	0
Operating services	34,147	12,647	0	0	(21,500)	(10,770)
Supplies	7,982	2,956	0	0	(5,026)	(7,248)
Professional services	2,750	1,019	0	0	(1,731)	(1,533)
Depreciation	4,512	0	0	0	(4,512)	(4,511)
Total General Government	<u>\$ 178,628</u>	<u>\$ 64,488</u>	<u>\$ 125,657</u>	<u>\$ 0</u>	11,517	6,281
General Revenues						
Interest income					1,443	2,494
Miscellaneous					0	653
Transfers (Natchitoches Parish Police Jury)					0	(21,802)
Total General Revenues and Transfers					<u>1,443</u>	<u>(18,655)</u>
Change in Net Assets					12,960	(12,374)
Net Assets, Beginning of year					<u>169,596</u>	<u>181,970</u>
Net Assets, End of year					<u>\$ 182,556</u>	<u>\$ 169,596</u>

The accompanying notes are an integral part of this statement.

TENTH JUDICIAL DISTRICT COURT EXPENSE FUND
NATCHITOCHES, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
Cash	\$ 41,243	\$ 22,202
Investments	131,451	130,114
Accounts receivable	<u>9,715</u>	<u>15,953</u>
Total Assets	<u>\$ 182,409</u>	<u>\$ 168,269</u>
 <u>LIABILITIES AND FUND BALANCES</u>		
<u>LIABILITIES</u>		
Accounts payable and accruals	\$ 8,094	\$ 11,426
Total Liabilities	<u>8,094</u>	<u>11,426</u>
 <u>FUND BALANCES</u>		
Unassigned	<u>174,315</u>	<u>156,843</u>
Total Fund Balances	<u>174,315</u>	<u>156,843</u>
Total Liabilities and Fund Balances	<u>\$ 182,409</u>	<u>\$ 168,269</u>

TENTH JUDICIAL DISTRICT COURT EXPENSE FUND
NATCHITOCHES, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2011

Total Fund Balances for Governmental Funds (Exhibit C)	\$	174,315
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Total Net Assets reported for governmental activities in the statement of net assets is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Furniture, fixtures and equipment, net of \$22,775		
in accumulated depreciation	\$ 8,241	
Total Capital Assets		8,241

Long-term liabilities, including compensated absences payable, are not due and payable in the current period and therefore are not reported in the fund liabilities.

0

Total Net Assets of Governmental Activities (Exhibit A)	\$	<u>182,556</u>
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TENTH JUDICIAL DISTRICT COURT EXPENSE FUND
NATCHITOCHES, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
REVENUES		
Fees	\$ 64,488	\$ 61,955
Intergovernmental	125,657	88,840
Interest income	1,443	2,494
Miscellaneous	<u>0</u>	<u>653</u>
Total Revenues	191,588	153,942
EXPENDITURES		
General government		
Personal services	129,237	104,932
Travel	0	0
Operating services	34,147	19,319
Supplies	7,982	13,002
Professional services	2,750	2,750
Capital outlay	<u>0</u>	<u>4,925</u>
Total Expenditures	<u>174,116</u>	<u>144,928</u>
Excess/(Deficiency) Of Revenues Over Expenditures	17,472	9,014
Other Financing Sources/(Uses)		
Transfers (Natchitoches Parish Police Jury)	<u>0</u>	<u>(21,802)</u>
Total Other Financing Sources/(Uses)	<u>0</u>	<u>(21,802)</u>
Net Change in Fund Balance	17,472	(12,788)
Fund Balance, Beginning of year	<u>156,843</u>	<u>169,631</u>
Fund Balance, End of year	<u>\$ 174,315</u>	<u>\$ 156,843</u>

The accompanying notes are an integral part of this statement.

TENTH JUDICIAL DISTRICT COURT EXPENSE FUND
NATCHITOCHES, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011

Net Change in Fund Balances-Total Governmental Funds (Exhibit E)	\$ 17,472
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The change in Net Assets reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$4,512) exceeds capital outlay (\$0) in the current period.	(4,512)
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Some expense reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	<u>0</u>
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Change in Net Assets of Governmental Activities (Exhibit B)	<u>\$ 12,960</u>
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TENTH JUDICIAL DISTRICT COURT EXPENSE FUND
NATCHITOCHES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

The Tenth Judicial District Court Expense Fund was created by an act of the Legislature of Louisiana during their 1982 regular session. The Fund began operating in August, 1982. The judges of the Tenth Judicial District, who are elected officials, have control over the Fund and all disbursements made therefrom. The Tenth Judicial District encompasses the parish of Natchitoches, Louisiana.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This Codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of the Tenth Judicial District Court Expense Fund present information only as to the transactions of the programs of the Tenth Judicial District Court Expense Fund as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Tenth Judicial District Court Expense Fund are maintained in accordance with applicable statutory provisions:

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

B. Budgetary Accounting

Formal budgetary accounting is employed as a management control. The Tenth Judicial District Court Expense Fund prepares and adopts a budget prior to July 1 of each year for its general fund in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the full accrual basis of accounting. The Fund amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more and/or projected expenditures are expected to be more than budgeted amounts by five percent or more. All budget appropriations lapse at year end.

TENTH JUDICIAL DISTRICT COURT EXPENSE FUND
NATCHITOCHES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows and consistent with GASB Statement 9, the Tenth Judicial District Court Expense Fund defines cash and cash equivalents as follows:

Cash - includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

Cash equivalents - includes all short term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates. Generally, only investments which, at the day of purchase, have a maturity date no longer than three months qualify under this definition.

D. Receivables

All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible.

E. Bad Debts

Uncollectible accounts receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At December 31, 2011, \$0 were considered to be uncollectible.

F. Capital Assets

Capital assets are carried at historical costs. Depreciation of all exhaustible capital assets used by the Tenth Judicial District Court Expense Fund are charged as an expense against operations in the Statement of Activities. Capital assets net of accumulated depreciation are reported on the Statement of Net Assets. Depreciation is computed using the straight line method over the estimated useful life of the assets, generally 10 to 40 years for buildings and building improvements and 5 to 10 years for moveable property. Expenditures for maintenance, repairs and minor renewals are charged to earnings as incurred. Major expenditures for renewals and betterments are capitalized.

G. Compensated Absences

Full-time employees of the Tenth Judicial District Court Expense Fund earn ten days vacation leave and ten days sick leave each year after completion of at least one year of employment. Leave cannot be accumulated from one calendar year to the next; therefore, no liability for compensated absences has been recorded in the accompanying financial statements.

TENTH JUDICIAL DISTRICT COURT EXPENSE FUND
NATCHITOCHES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Restricted Net Assets

In the government-wide statements, equity is classified as net assets and displayed in three components:

1. Investment in capital assets, net of related debt - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributed to the acquisition, construction, or improvement of those assets.
2. Restricted net assets - consists of net assets with constraints placed on the use either by a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or b) law through constitutional provisions or enabling legislation.
3. Unrestricted net assets - all other net assets.

I. Fund Equity

In the fund financial statements, governmental fund equity is classified as fund balance and displayed in five components:

1. Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
2. Restricted - amounts constrained to specific purposes by either a) creditors, grantors, contributors, or the laws or regulations of other governments, or b) constitutional provisions or enabling legislation.
3. Committed - amounts constrained to specific purposes by the governmental entity at its highest level of decision-making authority (Judge). These amounts can not be used for any other purposes unless the government takes the same highest level action to remove or change the constraint.
4. Assigned - amounts that do not meet the criteria to be classified as restricted or committed that are intended to be used for specific purposes as established by the Judge or their management to which the Judge has delegated the authority to assign amounts for specific purposes.
5. Unassigned - all other spendable amounts.

The Judge establishes (and modifies or rescinds) fund balance commitments and assignments by passage of an ordinance or resolution.

The Judge typically uses restricted fund balances first, followed by committed, assigned and unassigned funds when an expenditure is incurred for purposes for which amounts in any of these fund balance classifications could be used.

TENTH JUDICIAL DISTRICT COURT EXPENSE FUND
NATCHITOCHES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

A. Deposits with Financial Institutions

For reporting purposes, deposits with financial institutions including savings, demand deposits, time deposits, and certificates of deposit. Under state law the Tenth Judicial District Court Expense Fund may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further the Fund may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

Deposits in bank accounts are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The deposits at December 31, 2011 were secured as follows:

	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Total</u>
Deposits in bank accounts per balance sheet	\$ 41,243	\$ 131,451	\$ 172,694
Bank Balances (Category 3 Only, If Any)			
a. Uninsured and uncollateralized	\$ 0	\$ 0	\$ 0
b. Uninsured and uncollateralized with securities held by the pledging institution	0	0	0
c. Uninsured and uncollateralized with securities held by the pledging institution's trust department or agent but not in the entity's name	0	0	0
Total Category 3 Bank Balances	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Bank Balances (All Categories Including Category 3 Reported Above)	<u>\$ 43,479</u>	<u>\$ 131,451</u>	<u>\$ 174,930</u>

TENTH JUDICIAL DISTRICT COURT EXPENSE FUND
NATCHITOCHES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2011

NOTE 2 DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (CONTINUED)

The following is a breakdown by banking institution and amount of the balances shown above:

<u>Banking Institution</u>	<u>Amount</u>
City Bank and Trust Company	\$ 150,096
Exchange Bank	24,834
Total	<u>\$ 174,930</u>

B. Investments

At December 31, 2011, the Tenth Judicial District Court Expense Fund had investments of \$0.

NOTE 3 ACCOUNTS RECEIVABLE

The following is a summary of accounts receivable at December 31, 2011:

<u>Class of Receivable</u>	
Fees	\$ 2,160
Intergovernmental	<u>7,555</u>
Total	<u>\$ 9,715</u>

NOTE 4 CAPITAL ASSETS

A summary of the Tenth Judicial District Court Expense Fund's capital assets at December 31, 2011 follows:

	Balance December 31, 2010	Additions	Retirements	Balance December 31, 2011
Furniture, fixtures and equipment	\$ 31,016	\$ 0	\$ 0	\$ 31,016
Less accumulated depreciation:	<u>(18,263)</u>	<u>(4,512)</u>	<u>0</u>	<u>(22,775)</u>
Total Capital Assets, net	<u>\$ 12,753</u>	<u>\$ (4,512)</u>	<u>\$ 0</u>	<u>\$ 8,241</u>

Depreciation expense for the year ended December 31, 2011 was \$4,512.

NOTE 5 ACCOUNTS PAYABLE AND ACCRUALS

The following is a summary of accounts payable at December 31, 2011:

<u>Class of Payable</u>	
Vendor	\$ 3,138
Payroll taxes and retirement	4,956
Other	<u>0</u>
Total	<u>\$ 8,094</u>

TENTH JUDICIAL DISTRICT COURT EXPENSE FUND
NATCHITOCHES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2011

NOTE 6 RETIREMENT SYSTEM

Substantially all employees of the Tenth Judicial District Court Expense Fund are members of the Parochial Employees' Retirement System of Louisiana, a multiple-employer, public employee retirement system (PERS), controlled and administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the Tenth Judicial District Court are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of creditable service. However, for those employees who were members of only the supplemental plan prior to January 1, 1980, the benefit is equal to one percent of their final-average salary plus \$24 for each year of supplemental-plan-only service earned prior to January 1, 1980. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

Contributions to the System include one-fourth of one per cent of the taxes shown to be collectible by the tax rolls of each parish, except New Orleans and East Baton Rouge Parishes. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. State statute requires covered employees to contribute a percentage of their salaries to the System.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana, 70898-4619, or by calling (504) 928-1361.

Plan members are required by state statute to contribute 9.50 percent of their annual covered salary and the Tenth Judicial District Court Expense Fund is required to contribute at an actuarially determined rate. The current rate is 15.75 percent of annual covered payroll. The contribution requirements for plan members and the Tenth Judicial District Court Expense Fund are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employee contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior year. The Tenth Judicial District Court Expense Fund's contributions to the System for the years ended December 31, 2011, 2010 and 2009 were \$17,466, \$13,503 and \$7,201, respectively, equal to the required contributions for each year.

NOTE 7 LEASES

The Tenth Judicial District Court Expense Fund was not obligated under any noncancellable capital or operating lease commitments at December 31, 2011.

NOTE 8 LITIGATION

There was no outstanding litigation against the Tenth Judicial District Court Expense Fund at December 31, 2011.

REQUIRED SUPPLEMENTARY INFORMATION

TENTH JUDICIAL DISTRICT COURT EXPENSE FUND
NATCHITOCHES, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2011

	Original Budget	Final Budget	Actual	Variance Fav./Unfav.)
REVENUES				
Fees	\$ 65,000	\$ 69,796	\$ 64,488	\$ (5,308)
Intergovernmental	100,000	128,657	125,657	(3,000)
Interest income	5,000	1,897	1,443	(454)
Miscellaneous	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	170,000	200,350	191,588	(8,762)
EXPENDITURES				
General government				
Personal services	120,000	127,923	129,237	(1,314)
Travel	500	0	0	0
Operating services	20,000	25,396	34,147	(8,751)
Supplies	14,000	6,937	7,982	(1,045)
Professional services	3,000	5,151	2,750	2,401
Capital outlay	<u>2,500</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>160,000</u>	<u>165,407</u>	<u>174,116</u>	<u>(8,709)</u>
Excess/(Deficiency) Of Revenues Over Expenditures	10,000	34,943	17,472	(17,471)
Other Financing Sources/(Uses)				
Transfers (Natchitoches Parish Police Jury)	<u>(10,000)</u>	<u>(6,092)</u>	<u>0</u>	<u>6,092</u>
Total Other Financing Sources/(Uses)	<u>(10,000)</u>	<u>(6,092)</u>	<u>0</u>	<u>6,092</u>
Net Change in Fund Balance	0	28,851	17,472	(11,379)
Fund Balance, Beginning of year	<u>156,843</u>	<u>156,843</u>	<u>156,843</u>	<u>0</u>
Fund Balance, End of year	<u>\$ 156,843</u>	<u>\$ 185,694</u>	<u>\$ 174,315</u>	<u>\$ (11,379)</u>

OTHER SUPPLEMENTARY INFORMATION

TENTH JUDICIAL DISTRICT COURT EXPENSE FUND
NATCHITOCHES, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2011

SECTION #1

SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

- | | | |
|----|--|---------------|
| 1. | Type of auditors' report issued. | Unqualified |
| 2. | Internal control over financial reporting: | |
| | a) Material weakness(es) identified? | No |
| | b) Significant deficiency(ies) identified that are not considered to be material weaknesses? | None reported |
| 3. | Noncompliance material to financial statements noted? | No |

SECTION #2

FINANCIAL STATEMENT FINDINGS

None reported.

HINES, SHEFFIELD & SQUYRES, L.L.C.

FRANK S. HINES, CPA
LEWIS C. HINES, CPA
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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Tenth Judicial District Court Expense Fund
P.O. Box 1395
Natchitoches, Louisiana 71458

We have audited the accompanying basic financial statements of the Tenth Judicial District Court Expense Fund, Natchitoches, Louisiana, as of and for the year ended December 31, 2011, and have issued our report thereon dated June 21, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Tenth Judicial District Court Expense Fund is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Tenth Judicial District Court Expense Fund's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Tenth Judicial District Court Expense Fund's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Tenth Judicial District Court Expense Fund's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Tenth Judicial District Court Expense Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Page #2

This report is intended solely for the information and use of the Tenth Judicial District Court Expense Fund, management and the Louisiana State Legislative Auditor and is not intended to be, and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Hines, Sheffield & Squyres

Natchitoches, Louisiana

June 21, 2012

TENTH JUDICIAL DISTRICT COURT EXPENSE FUND
NATCHITOCHES, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2011

<u>Ref. No.</u>	<u>Fiscal Year</u>	<u>Description of Finding</u>	<u>Corrective</u>	<u>Planned Corrective</u>
	<u>Finding</u>		<u>Action Taken</u>	<u>Action/Partial</u>
	<u>Initially</u>		<u>(Yes, No,</u>	<u>Corrective</u>
	<u>Occurred</u>		<u>Partially)</u>	<u>Action Taken</u>

Nothing came to our attention that would require disclosure under Government Auditing Standards.

TENTH JUDICIAL DISTRICT COURT EXPENSE FUND
NATCHITOCHES, LOUISIANA
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2011

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name(s) of Contact Person(s)</u>	<u>Anticipated Completion Date</u>
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Nothing came to our attention that would require disclosure under Government Auditing Standards.